



HF 352 – State Budgeting Practices (LSB1110HV)
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Fiscal Note Version – New

Description

House File 352 requires Executive Branch departments and the Judicial Branch to submit annual budgets using a zero-base approach. The Bill also requires departments to provide sufficient supporting data and explanations to justify and prioritize all expenditures.

Background

Under current law, Iowa Code section **8.23**, Executive Branch departments submit budgets that are based on 75.0% of the current year's funding, and the remaining budget requests are prioritized by program. **House File 352** requires all Executive Branch department programs and Judicial Branch programs to be prioritized. However, since the 2005 Legislative Session, language has been annually enacted in lieu of Iowa Code section **8.23**, allowing the Governor to use other budget methodologies in place of the 75.0% concept. The requirement currently in place for the FY 2016 budgets specifies that all departments must transmit estimates of all proposed expenditures, together with supporting data and explanations to the Department of Management (DOM). The language also requires the expenditures to be prioritized by program or results to be achieved, and requires performance measures for evaluating the effectiveness of the programs or results.

Fiscal Impact

The fiscal impact of **HF 352** cannot be determined because it is uncertain how much budget detail state agencies will be required to provide at the direction of the DOM to fulfill the zero-based budget requirements. If a significant amount of detail is required, a review of the current I-3 budget system will be needed to determine if the system can accommodate the increased data. In addition, it is not known how much additional staff time, if any, will be required on behalf of state agencies to reconfigure their budgets to accommodate a zero-base approach.

Sources

Department of Management
Legislative Services Agency

/s/ Holly M. Lyons

March 9, 2015

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
